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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 001876

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STATE FOR EAP/RSP/TC, STATE PASS USTR FOR DEPUTY USTR  
BHATIA FROM DIRECTOR YOUNG

E.O. 12958: DECL: 05/26/2031  
TAGS: [ECON](#) [TW](#)  
SUBJECT: TAIWAN TIFA: SESSION 6: EXPORT CONTROL AND  
MEGAPORTS

REF: TAIPEI 1727

Classified By: AIT Deputy Director David J. Keegan, Reason 1.4 b

¶1. (C) Summary: On May 26, 2006, AIT/Washington Director of Trade and Commercial Programs Rick Ruzicka and Ministry of Economic Affairs Director General Chih-Ping Huang chaired the U.S.-Taiwan TIFA session 6 on secure trade and held discussions that covered Taiwan's progress on implementation of its export control commitments, and other export control issues. The session produced agreed statements of positive outcomes on export control cooperation, the container security initiative, Megaports, and Taiwan's application to join CAPERS. End summary.

#### Export Control Cooperation

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¶2. (C) Ruzicka asked for the implementation timetable for the Taiwan game plan to monitor high tech exports and then urged Taiwan not to upgrade relations with Iran. Huang responded that effective June 1, 2006, Taiwan will add 87 items to its sensitive high technology commodities schedule (SHTC) and said Taiwan is working on a review of the December 2005 U.S. request to add new items. Huang expressed appreciation for U.S. assistance in export control and then asked to be provided with a revised export control list to Libya. He did not comment on the U.S. request about Iran. The agreed upon text of the public statement on this outcome is as follows:

Begin Text: AIT and TECRO recognize progress in securing trade and reaffirmed the importance of continuing to enhance efforts towards this end. The U.S. welcomes that as of June 1, 2006 Taiwan will add 87 items to its list of SHTC items subject to export controls to North Korea and Iran, and that Taiwan will consider more items be included in the SHTC in the future. End Text.

#### Container Security Initiative

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¶3. (C) Huang said that Taiwan was eager to move forward with expanding the container security initiative to Keelung harbor, but in order to do so, the U.S. needed to amend the existing memorandum of understanding or create a new one to include Keelung harbor. Ruzicka promised that AIT would work with U.S. Customs and Border Patrol to produce a new or revised memorandum. The agreed upon text of the public statement of the outcome is as follows:

Begin Text: The U.S. appreciates the seizure of \$1.99 million in counterfeit U.S. currency at Kaohsiung Port since joining CSI, and welcomes Keelung Harbor's active

preparations to join CSI to expand cooperation with the United States in fighting against global terrorism. End Text.

#### Megaports

14. (C) After the Megaports public outcome was changed to a private outcome, Huang said that a memorandum of understanding (MOU) was signed by TECRO and AIT in Washington, DC. Huang then asked how to handle queries from the press about the new MOU. Ruzicka responded that he would check the facts on whether an MOU was in fact signed after which they would discuss whether an additional public outcome would be necessary. The agreed upon text of the private outcome (i.e., not to be included in press statements) is as follows:

Begin Text: AIT and TECRO welcome the signing of an MOU on Megaports and look forward to the next steps in implementation. End Text.

#### Taiwan's Application to Join CAPERS

15. (C) Huang welcomed the idea of Taiwan joining CAPERS (Customs Asia-Pacific Reporting System) and said Taiwan looked forward to signing a MOU. Huang also agreed to the U.S. language of the proposed private outcome. The agreed upon text of the private outcome is as follows:

Begin Text: CAPERS helps strengthen and safeguard trade relationships, enhances the prevention of narcotics/contraband smuggling, and assists with the detection of other violations of Customs laws by the timely

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exchange of information, and AIT welcomes the TECRO's support for these goals. End Text.

16. (U) USTR cleared this cable.  
YOUNG